Foreign Agriculture

February 12, 1979

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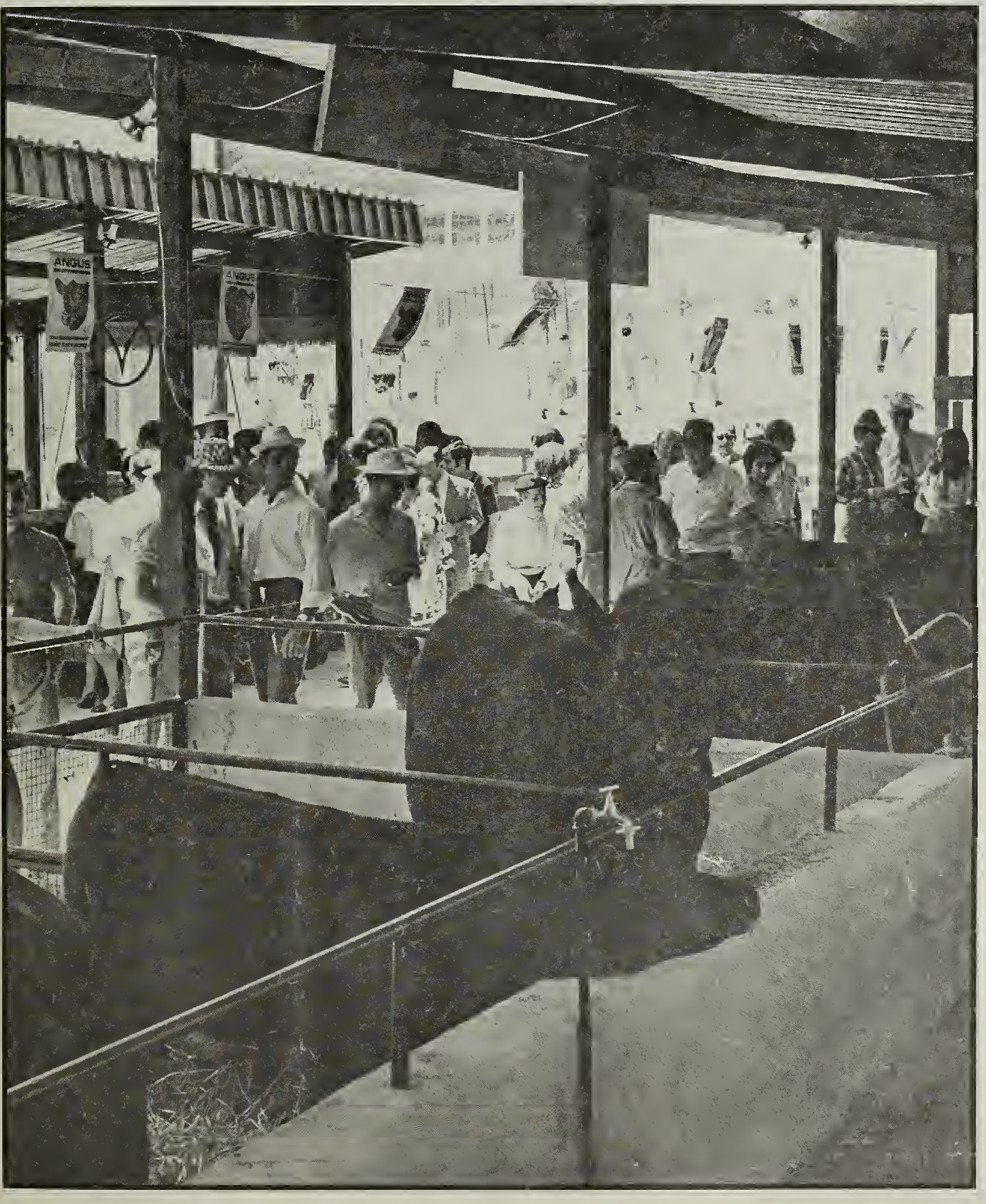

U.S. cattle at a livestock show in Spain.

Bumper Crops Lead Spain's Recovery

By Robert D. Knapp

Spain's economic recovery last year was helped by one of the best agricultural performances in recent history, with output estimated up some 8 percent from 1977's. Still, import demand was sufficient to allow a new record in U.S. agricultural exports to Spain.

Spain had a good agricultural year in 1978, harvesting bumper crops of barley, wheat, rye, oats, rice, and sunflowerseed. Yet its agricultural imports remained large, and the United States was the major beneficiary of strong demand for livestock feed ingredients.

Preliminary trade data show U.S. agricultural exports to Spain in calendar 1978 topping $821 million—a new record—compared with $634 million in 1977. Last year, the United States supplied most of the 4.1 million tons of corn and 2.1 million tons of soybeans imported by Spain. Reduced availabilities of these products from Brazil—a leading U.S. competitor in the Spanish market—contributed to this strong showing, as did Spain's economic recovery and a resulting surge in demand for animal products.

Looking to 1979, a rebound in Brazilian soybean and corn crops—and consequent increases in these exports to Spain—could impinge on growth in U.S. trade.

Another factor that must be considered is Spain's use of consumption quotas on soy oil in response to internal pressures to boost consumption of domestic olive and sunflower oils.

Spain's economic recovery, planned and defined in the political and economic document known as the Moncloa Pact, has received a welcome shot in the arm from the exceptionally good 1978 harvest of most commodities. Total agricultural production, which accounts for about 9 percent of the gross national product, is estimated to have risen 8 percent from the 1977 level. The larger production—and consequent increase in transportation, processing, and labor required to bring the harvest to market—is seen as a major reason for the increase in the real growth rate from the targeted 1 percent presented in the Moncloa Pact to an estimated 3 percent.

Inflation was reduced from 26 percent in 1977 to an estimated 17 percent in 1978. Foreign reserves, given a boost from booming tourist trade, have risen dramatically and totaled over $9 billion at the end of fiscal 1978. A significant part of the success in reducing the rate of inflation in the past year goes to the agricultural sector. The Ministry of Agriculture, in a hard round of negotiations with agricultural producer groups, achieved a less inflationary farm price package than in the past.

The primary factor behind the bumper 1978 harvest was favorable weather. Traditionally, Spain's agricultural production is highly variable due to capricious frosts and droughts. Last year, however, generally moist conditions existed in most parts of the country, including Andalusia, where droughts occurred during the preceding year. To help matters out, frost and high winds that often adversely affect fruit trees and tree nuts during the critical blossoming and setting periods were not particularly damaging.

In conjunction with the improved conditions, farmers purchased twice the amount of nitrogen-based fertilizer during the prime small-grain planting time of October-December as they had during the previous year.

Grain. Total cereal grain production during 1978 is estimated at 16.1 million tons, versus 13.8 million tons harvested in 1977.

Barley, Spain's principal feedgrain, reached 8.0 million tons for an 18 percent increase over the 1977 level and a 55-percent rise over the 1970-77 average of 5.1 million tons. With the exception of 1977, the area planted to barley has increased each year since 1967; in 1978 it rose 6 percent over the 1977 level to a record 3,387,000 hectares. Barley yields also reached a new high, averaging 2.35 tons per hectare versus the old record—2.06 tons—set in 1975.

Last year's wheat harvest, while not breaking the high point set in 1967 when a record 4,557,600 hectares were planted, may certainly be regarded as a bumper crop. Production is placed at 4.8 million tons, 19 percent above the previous year's and significantly above the 1970-77 average of 4.4 million tons. Unlike barley, area planted to wheat declined steadily from 1967 to 1975 and during the last 4 years has fluctuated within 2 percent of an average 2,719,000 hectares. Increases in wheat production have mainly been the result of improved yields, which in 1978 reached an average 1.7 tons per hectare.

Rice production in 1978 is officially estimated at a record 409,000 tons, 5 percent over the 1977 crop and 4,000 tons above the previous high attained in 1969.

Production of corn in 1978 is estimated up slightly from the 1977 level to almost 2 million tons. Most of the production increase was due to a 4-percent increase in area, while yields gained only slightly from the 1977 record of 4.4 tons per hectare.

Among other grains, rye

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output reversed its long-term declining trend as it rose 18 percent over the 1977 level to 259,000 tons—the highest level since 1971. Oats production also gained.

Edible oils. Revised estimates place the 1978 sunflower crop at 467,000 tons for an oil outturn of 213,000 tons. This is the largest harvest since Spain began serious commercial production in 1969 and nearly a fourth above the previous year's drought-affected harvest of 388,000 tons. An increase in area over 1977's, plus an improved average yield—823 kilograms per hectare—account for the expansion.

The olive harvest, which did not begin until late 1978, is estimated to be above average and may produce as much as 500,000 tons of oil. However, the final oil outturn could be affected by the dry conditions that have prevailed since July.

The large outturns of sunflower and olive oil are creating serious disposal problems. Although its domestic soybean crop is small, Spain produces a large amount of soy oil from yearly bean imports of about 2.0 million tons. Meal is required for livestock and poultry feedings, but the resulting oil competes with higher priced domestically produced olive and sunflower oils.

To encourage consumption of these oils, the Government has enforced a quota on the consumption of oil derived from imported soybeans. In 1978, between 250,000 and 260,000 tons of a total of 340,000-360,000 tons of soy oil produced in Spain are believed to have been exported as a direct result of the quota.

Another factor influencing soybean trade is the construction of two crushing plants in Barcelona.

EC Commission Outlines Views on Community Membership for Spain

Spain's pending membership in the European Community—expected to take place in the mid-1980's—will increase the Community's agricultural base and level of self-sufficiency in a number of crops. But acceptance of this new member—along with two other prospective members, Greece and Portugal—presents a number of problems.

These opinions are expressed in an EC Commission report released prior to the February 6, 1979, opening of EC negotiations on Spain's membership.

The Commission's report describes difficulties inherent in uniting the highly developed but mature economy of the EC-9 with the less developed but more dynamic economy of Spain.

Major problems expected to arise from Spanish integration include overcapacity in key Spanish industries such as shipbuilding, textiles, and steel; the prospect of increased surpluses of a number of Mediterranean agricultural products; and the problem of migrating workers. On the positive side, the Commission recognizes advantages for the Community in gaining unrestricted access to Spain's expanding market and in the opening of new markets in Latin America.

Similar problems exist regarding the other two countries—Greece and Portugal—also seeking EC membership. Substantive negotiation on agriculture with Greece began on June 27, 1978, and agreement on major points was reached on December 21, 1978. Negotiations with Portugal formally opened on October 17, 1978 (see *Foreign Agriculture,* Sept. 8, 1978), but farm questions have not yet been discussed.

Freedom of movement for labor within the Community is a basic principle of the EC's Rome Treaty. With Spanish unemployment 2 to 3 percent higher—and wage scales considerably lower—than in the EC-9, Member States are concerned about the prospect of a flood of Spanish workers into their stagnant labor markets. The Commission identifies inadequate agricultural structures as a prime cause of the continuing drift of farmers to urban areas, which creates the pool of potential migrants. Rural development, with emphasis on increasing Spain's agricultural productivity, is one tool used to stem the flow of workers out of rural areas.

The Commission points out, however, that this restructuring must not result in surpluses or lowered prices for such products as vegetables, olive oil, citrus fruits, and wine. Spain produces these crops in competition with farmers in Italy and Southern France, the poorest agricultural regions within the EC-9.

Further development of Spanish agriculture is also of concern to non-EC members. Restructuring will create problems for producers of competitive crops, not only within the Community, but also in non-EC Mediterranean countries—Turkey, Israel, Lebanon, Algeria, Morocco, Tunisia, and Cyprus. Up to now, these countries have enjoyed special tariff preferences on exports to the EC.

In its report, the Commission notes that Spanish accession will increase Community dependence on imported livestock feedstuffs, mainly from North America. Spain imported 4.4 million metric tons of corn in 1977/78 and 2 millions tons of soybeans in 1978, with 65 percent of the corn and 85 percent of the soybeans supplied by the United States.

The United States is concerned about the change in trade flows that may result from Spanish EC membership. In particular, U.S. fresh citrus exports to the EC valued at $39.8 million in 1977/78, will be threatened by any increase in Spanish orange and lemon production after accession. Spain already enjoys a 40-percent duty reduction on orange sales to the EC.

Other U.S. agricultural exports—such as almonds, a variety of fruits, vegetables, rice, and hard wheat—could also be affected.

The Commission sees a possible advantage of accession coming from increased Community trade relations with Latin American markets. Under the Lomé Convention, ex-colonies of EC Member States in Africa, the Caribbean, and the Pacific enjoy special advantages in trade with and aid from the Community; such advantages tend to sustain traditional commercial bonds. Spanish and Portuguese membership thus may add a number of Latin American countries to the "family" of LDC's whose economies are closely linked to the EC.

—*Vicki Thrasher, Market Economies Division, FAS* □

The old and the new in Spain: Far left, threshing wheat using horse power and manual labor; left, harvesting grain.

These plants, which may come on stream in late 1979, will enlarge national crushing capacity by 50 percent to almost 3 million tons a year. They thus should enhance the U.S. position as the major supplier of soybeans for Spain's oilseed crushers, while reducing demand for imported soybean meal to a fraction of the current yearly level of 400,000-500,000 tons.

Cotton. Owing to labor conflicts during the 1977 harvest, and to attractive support prices for alternative crops, less land was contracted for cotton in 1978. The area planted to cotton was down 24 percent, and production of lint cotton is estimated at 110,200 tons—about 82 percent of the 1977 level.

In spite of reduced production, imports in calendar 1978 are estimated at 250,000-275,000 bales. The United States was the largest single supplier, accounting for 30 percent of the market. Imports in 1978 were reduced from the previous year's level of 329,000 bales owing to lower utilization and large stocks at the beginning of the year.

Deciduous and stone fruit. After the disastrous freeze-damaged crop of 1977, production of deciduous and stone fruit in general returned to normal levels. Apricots and peaches set record production levels of 227,400 and 455,600 tons, respectively, rising from last year's extremely low 65,400 and 195,500 tons.

Livestock and animal products. Consumer demand for meat and meat products should remain strong, despite inflationary pressures. Livestock farmers stand to gain both from the increased demand for animal protein—as a result of reduced fish supplies—and the increased domestic production of feedgrains. These incentives should lead to at least a small increase in livestock numbers.

Primary data indicate that the fish catch in 1977 totaled 1.5 million tons, down 12 percent from the previous year's. The catch continued to decline in 1978, owing to the 200-mile restriction in European Community waters and along the coast of the former Spanish Sahara.

As a result, per capita fish consumption is currently estimated at 25-27 kilograms, compared with 31-33 kilograms 5 years ago, and is expected to continue to fall. Recently, Spanish fish consumption has declined to 35-40 percent of domestic red meat consumption from the 50 percent that once prevailed.

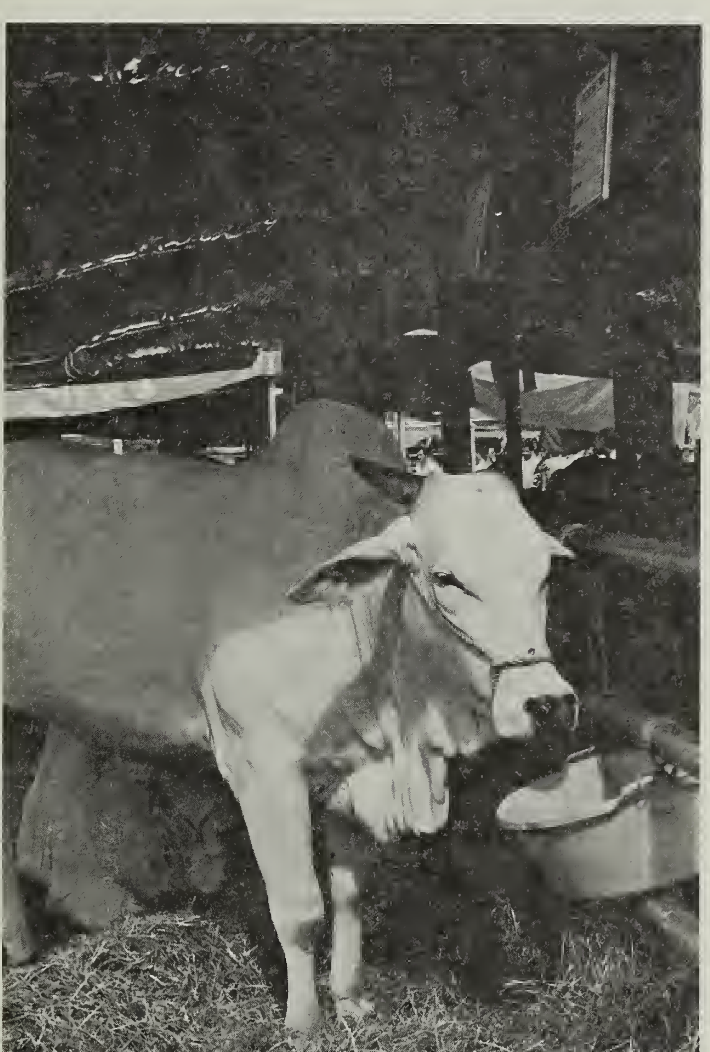
Poultry meat production is estimated to have reached 770,000 tons in 1978—5 percent above the 1977 level—and is expected to reach 800,000 in 1978. The Spanish poultry industry is very modern, with an estimated 90 percent of the broiler sector vertically integrated and 20-25 percent of the firms accounting for 80-90 percent of production.

Following a decline in 1978, egg production is expected to increase slightly to 10,850 million pieces in 1979, but it will remain under the record 11,283 million produced in 1977.

Eggs represent an important source of protein in the Spanish diet, and here again output is from a very modern industry, about 60 percent of which is vertically integrated.

The strength of the poultry industry—together with the overall stability of the other sectors of the livestock industry—will ensure strong demand for imported feedgrains. Corn and soybeans, Spain's two largest imports from the United States, are the primary components of poultry feed and will continue to be imported in large quantities since domestic production cannot meet demand. The increased domestic production of grains, particularly barley, will provide additional feed for the cattle and hog sectors. □

Venezuela's Meat Production Rising, Imports Still Needed



Top: Brahman cattle, the type that Venezuela imports from the United States. Above: It's mealtime for a litter of piglets.

Although Venezuela's cattle population is expanding at a rate of 3 percent annually and hog numbers are steadily increasing, domestic meat consumption is rising even more rapidly. To cover this production deficit, the country is importing about 13 percent of its meat requirements.

For the second straight year, the United States dominated pork shipments to Venezuela in calendar 1978. The United States had gained a foothold in the Venezuelan market in 1977 when shipments of U.S. pork to Venezuela skyrocketed sixfold from those of a year earlier because the Government relaxed import controls.

The beef market, however, was more wide open in 1978. Australia was the leading supplier of frozen boneless beef. By virtue of a new bilateral agreement, Colombia supplied the largest share of live cattle and beef carcasses.

Late in the year, the vice president of the National Cattlemen Federation announced that the Sociedad Financiera de Oriente (Sofidor) would finance the purchase of 1,000 Brahman and Brangus bulls from the United States. These bulls will be used in improving the beef production in the eastern part of the country.

Venezuela's total red meat consumption has climbed in the past 3 years from 388,100 tons to 419,500 and 421,400 tons and is expected to reach 443,200 tons in 1979. Meanwhile, production has risen from 364,300 tons in 1976 to 366,900 in 1977 and 377,700 in 1978. It is projected at 396,700 tons in 1979. Per capita meat consumption for 1978 is estimated at 30 kilograms, down slightly from a year earlier.

Red meat imports more than doubled between 1976 and 1977, going from 24,300 tons to 53,100. After dropping to 44,200 tons last year, imports are expected to rise to 47,000 tons this year. Beginning stocks in each of these years have been practically nil.

Beef-veal. Venezuela's cattle population for 1979 is being estimated at around 10.5 million head, up 3 percent from the estimated population of 10.2 million head in 1978.

The dry season lasted longer than usual in 1978, extending from December 1977 to May 1978, leaving many cattle dead from lack of adequate pastures. To help cattlemen feed their animals, the Government set up special forage programs. But, when the rainy season finally started, farmers in the Barinas region suffered from excessive rains, and again requested Governmental help for their livestock and crops.

Cattle slaughter in 1978 is estimated at 1,468,000 head, an increase of about 3 percent from the revised estimate of 1,428,000 head in 1977, slaughter that included imported live cattle from Colombia. Slaughter this year is projected at 1,509,000 head.

Venezuela's beef production rose only 2 percent in 1978 to an estimated 281,856 metric tons and the 1979 forecast is placed at 289,500 tons. The country's beef production is being held back by the combination of inadequate pastures, poor farm-management practices, shortage of labor, and problems in obtaining medium- and long-term credit.

Last year, Australia exported 10,913 tons of frozen boneless beef to the Venezuelan market. Costa Rica and Nicaragua, important suppliers in 1976 and 1977, did not export meat to

Venezuela in 1978. Reports from the Venezuelan livestock sector indicate that Venezuela will buy large numbers of beef breeding cattle from Costa Rica and Panama in 1979.

U.S. beef and veal shipments, which had risen dramatically in 1977, decreased to 511 tons in the first 11 months of 1978, owing to a rise in domestic production and increased imports from other sources. Between 1976 and 1977, U.S. beef and veal exports to Venezuela shot from only 13 tons to 2,412 tons, largely because of reduced domestic production and a relaxation of import controls. This sharp rise also reflected increased consumer income stemming from petroleum exports and the high population growth rate of about 3 percent per annum.

The Colombian-Venezuelan beef and live cattle agreement was renewed early last year. Under the agreement, Colombia was to export to Venezuela 60,000 cattle on the hoof and 60,000 beef carcasses.

As of August 31, 1978, Venezuela had imported the equivalent of 113,793 Colombian cattle either as cattle for slaughter, beef carcasses, or young bulls for fattening.

Pork. Venezuelan pork producers continued to experience problems during 1978. As with cattlemen, pork producers have had difficulties obtaining medium- and long-term credit for permanent improvements. The Government has been slow in paying farmers for improvements.

While Venezuela is free of the African Swine Fever, a scare encouraged some producers to sell part of their herds at 4 and 5 months of age, rather than at 6 months or more. The Venezuelan Government launched a campaign using posters and other techniques to warn farmers of the dangers of the disease. As part of this campaign, the Government purchased 10,000 leaflets from the U.S. Department of Agriculture to instruct farmers on how to protect their animals from the disease.

As a consequence of the problems in the hog sector, pork production rose only 1 percent to 91,354 tons from 1977 to 1978, compared with an 8-percent jump a year earlier. However, a hefty production increase of about 15 percent to 104,600 tons is seen for this year.

Venezuela's imports of pork in 1978 are now expected to be slightly less than the 6,391 tons imported in 1977. The United States continued to be the principal supplier, but imports of U.S. pork may have fallen by 20 percent or more for the full year following a recorded 16-percent drop through November 1978.

Moreover, the 15-percent rise in Venezuelan pork production that is predicted for 1979 may cause a further decline in imports from the United States.

Sheep and goats. The country's lamb, mutton, and goat meat output was expected to expand about 8 percent in 1978 following a similar boost a year earlier to 4,148 tons. The Ministry of Agriculture has encouraged the consumption of sheep and goat meat to reduce pressures on the cattle industry.

The Government has purchased 840 goats from the United States to improve native breeds in an effort to increase goat milk production in the arid regions of the country.—*Based on report from George J. Dietz, U.S. Agricultural Attaché, Caracas.* □

Kuwait's Food Imports May Hit $1 Billion—U.S. Share Still Small

By John B. Parker, Jr.

During the 1970's, many of the world's food exporters have been attracted to Kuwait, where per capita income exceeds $12,000 annually. Imports of food and beverages by Kuwait may reach $1 billion this year, compared with nearly $700 million in 1978.

But the U.S. share of Kuwait's agricultural imports has not kept pace with this growth, declining from a peak of 8.5 percent in 1974 to only 3 percent last year because of strong competition from Australia, the European Community (EC), India, Pakistan, and Brazil.

However, the value of U.S. agricultural exports to Kuwait increased 27 percent in fiscal 1978 to $17.6 million—up from $13.0 million during the previous year. New sales of eggs and marked gains in exports of rice, frozen poultry, beef, soybean meal, and snack foods contributed to the increase.

U.S. agricultural exports to Kuwait in fiscal 1979 may reach $30 million. As of January 1, sales of rice for future delivery totaled 4,700 tons.

During fiscal 1978, Kuwait was a rapidly growing market for U.S. animal feed, beverage ingredients, eggs, and processed foods. Processed U.S. products are particularly in demand. The declining value of the dollar relative to that of other countries has made U.S. processed foods more attractive to some Kuwaitis who used to purchase from the EC.

With the exception of occasional large sales of rice and shipments of barley, the United States has not done well in competing for Kuwait's rising imports of bulk commodities.

Recently, a more favorable policy towards purchases of some U.S. farm products has evolved in Kuwait. For example, a slight dent in Australia's dominance of Kuwait's imports of wheat and flour occurred last year when 700 tons of U.S. flour, valued at $180,000, were purchased. Also, U.S. exports of soybean meal rose from 1,200 tons in fiscal 1977 to about 5,000 tons in fiscal 1978.

Indicating the diversity of new opportunities in Kuwait, U.S. exports of several items to Kuwait passed the $1-million mark for the first time. These included eggs, vegetable oils, coffee, vegetable preparations, frozen poultry, red meat, and fruit products. Some items with growth potential, ranging in value from $500,000 to $1 million in fiscal 1978 were: potato and corn chips, pulses, and sauces.

U.S. exports of vegetable oils to Kuwait increased

The author is an economist, Foreign Demand and Competition Division—Economics, Statistics, and Cooperatives Service.

from about $500,000 in fiscal 1977 to $1.1 million in 1978. Some brands of U.S. corn oil have become popular among consumers, and fast food establishments prefer to use corn oil rather than palm oil.

U.S. exports of both instant coffee and coffee extract to Kuwait increased from $824,000 in fiscal 1977 to $1.17 million in 1978. It is also a growing market for other American beverages, including soft drinks, fruit juices, and hot chocolate mixes.

U.S. exports of orange juice to Kuwait jumped from $214,000 in fiscal 1977 to $418,000 in 1978.

Kuwait's total imports of frozen poultry in 1978 were likely to approach 26,000 tons.

Brazil and Denmark provided most of the approximately 24,000 tons of whole chickens imported by Kuwait last year. Kuwait's purchases of whole birds from the United States increased to 131 tons in fiscal 1978, and of frozen turkeys to 151 tons. The major U.S. gains occurred in exports of chicken parts, which rose from 428 tons in fiscal 1977 to 691 tons, valued at $965,000 in 1978.

Australia provides most of Kuwait's beef imports, which probably reached 18,000 tons in 1978. But U.S. exports of beef and veal to Kuwait increased from $582,000 in fiscal 1977 to $728,000 in fiscal 1978.

International hotels and luxury restaurants provide a good market for choice cuts of U.S. beef. These outlets are also taking more frozen mutton from the United States ($142,000 worth in fiscal 1978).

U.S. exports of beef and mutton preparations also increased markedly in the past year, although most of Kuwait's imports of canned beef continues to be imported from Brazil and Africa.

U.S. exports of nuts to Kuwait may grow markedly this year as imports of pistachio nuts and almonds from Iran and Afghanistan dwindle. The value of U.S. almond exports to Kuwait increased to $281,000 in 1978, but the volume declined to 97 tons.

Changes in the exchange rate of the U.S. dollar and new facilities for handling containerized cargo should allow U.S. exporters of canned fruits and vegetables to obtain striking gains in sales to Kuwait.

Token shipments of U.S. peaches, pears, green beans, carrots, and tomatoes have already been made to Kuwait. Weekly flights made by U.S. air cargo firms providing fresh produce and meat for grocers in other Mideast markets may be extended to cover Kuwait.

Problems in obtaining fresh grapes from Afghanistan and a variety of fresh fruits from Iran will cause Kuwait to seek larger supplies from other sources. A rebound in deliveries by Lebanon may occur. Jordan has established a thriving trade with Saudi Arabia and may not have additional supplies of apples or fresh vegetables to export to Kuwait.

Soft drink bottling plants have flourished in Kuwait. Most of the ingredients are imported and some U.S. brands are top sellers. U.S. exports of liquid beverage ingredients and flavoring syrups were expected to reach $3 million in 1978.

U.S. exports of potato and corn chips to Kuwait increased markedly to 494 tons, valued at $1.3 million, in 1977, but dipped slightly in 1978.

All imports of wheat by the Kuwait Supply Company currently come from Australia, virtually the sole supplier of Kuwait's wheat for use in the public flour mill during most of the last decade.

Managers of the Kuwait Supply Company are interested in buying more U.S. rice, corn, pulses, and possibly soybeans.

Competition for exports of bulk commodities to Kuwait is fierce. During the past decade, Australia provided virtually all of Kuwait's wheat imports, which have grown to an annual level of about 125,000 tons.

Pakistan usually provides over half of Kuwait's rice imports, but officials of the Kuwait Supply Company have recently become very interested in long-grain U.S. rice from Texas.

Thailand has been the major source of Kuwait's corn imports in recent years, shipping about 35,000 tons in 1978. France is likely to provide 30,000 tons of barley to Kuwait in the coming year.

Brazil has dominated Kuwait's imports of soybeans for the past 3 years. Although U.S. exports of soybeans to Kuwait increased from 939 tons ($126,000) in 1972 to a peak of 8,954 tons ($2.0 million) in 1975, no exports have been made since, except token deliveries of seed for experimental stations north of Kuwait.

The opening of new dairies and poultry farms has created a growing market for imported barley, corn, and animal feed. U.S. exports of barley to Kuwait in 1977 were 8,000 tons, valued at $914,000. However, fresh milk from local dairies has come at the expense of imported powdered milk supplies. □

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FAS Food Show Set for Paris in Early June

TO help U.S. food producers tap the growing French market for consumer-ready products, FAS is scheduling a solo exhibit of U.S. foods at the Paris Sheraton, June 5 and 6, 1979.

During 1978, shows were held in France in June and November.

The 1979 exhibit will be mostly geared to the needs of French agents of U.S. firms, although a number of U.S. firms not yet marketing products in France will be invited to participate. The show's thrust will be to introduce to French consumers U.S. products generally unknown in France, but with sales potential.

FAS exhibit activities in France—as in most other countries—are geared to capitalize on growing consumer interest in the many new, appetizing, and easy-to-prepare U.S. foods.

Information packets for the 1979 show in Paris have just been mailed from FAS, and complete details about the show are enclosed. (The packet also includes data about an FAS show in Amsterdam that takes place a few days before the Paris event.)

France exceeded the United Kingdom as a market for U.S. consumer-ready food products in 1973, passed West Germany in 1975, and now leads all other countries except Japan and Canada, Wayne W. Sharp, U.S. Agricultural Attaché, Paris, said recently, "but the U.S. share of French imports of such products is only 4.4 percent, less than 1 percent more than the 1970 share.

"If the U.S. share of France's prepared food imports were just to equal the the U.S. share of the French bulk commodity market (11.6 percent), this new business would mean $400 million more for U.S. prepared food exporters and total agricultural exports would be about $1.2 billion," Sharp said.

"France's agricultural imports from all sources have grown at a yearly rate of almost 25 percent—rising from $3 billion in 1970 to $10 billion in 1977, while the total for U.S. farm product exports to France has steadily declined over the years.

"In 1977, the U.S. share was equal only to about $800 million, the equivalent of an 8 percent share. Fifty-two percent of France's agricultural imports in 1977 were consumer-ready food products.

"Items that appear to have great possibilities on the French market include dried and canned fruits, juice (citrus, deciduous fruit, and vegetable), specialty meats (particularly offals), as well as processed meats, nuts and peanuts, horsemeat, and dried vegetables. Also of interest may be such products as pouch-packed foods, TV dinners, instant soups and puddings, and other quick-fix foods," Sharp noted.

The June 7-8, 1978, Paris event—Journees Americaines de l'Alimentation—attracted 14 European-based import agents who introduced several new-to-market products. They showed fresh and processed fruits and vegetables, a wide range of processed foods, fish, and bakery products.

Sales results included about $100,000 at the show and $600,000 projected for the next 12 months.

One agent said he expected sales of $2 million a year to develop within 2 years as a result of his participation in the exhibit.

At the SIAL exposition—held November 13-18, 1978—the Foreign Agricultural Service and the State of Illinois had exhibits in contiguous areas. The Illinois Department of Agriculture showed food products only from that State; FAS showed a range of food products from a number of States. The 10 exhibitors, representing both U.S. companies and European agents of U.S. firms, presented a variety of new-to-market products.

Among the products displayed were citrus juice, frozen offals, canned fruits and vegetables, vegetable proteins, popcorn, pizza crusts and ingredients, and concentrated sauces. Floor sales during the November event totaled about $2 million, and sales in the next 12 months, resulting from contacts made at SIAL, will bring the total much higher.

SIAL, an international exhibit held every 2 years—the next one in 1980— regularly attracts some 2,000 companies from over 60 countries, exhibiting in 500 stands. Of the 60 countries that normally participate, 50 have national pavilions. About 100,000 visitors—mostly from the food trade—attended the event.

Producers and exporters of processed foods are invited to participate in FAS overseas promotional activities. Interested parties should write to the Director, Export Trade Services Division, Foreign Agricultural Service, Washington, D.C. 20250, or telephone (202) 447-6343. □